
Subject:	COUNCIL TAX BASE 2020/21
Meeting and Date:	Council – 29 January 2020
Report of:	Mike Davis, Strategic Director (Corporate Resources)
Portfolio Holder:	Councillor Stephen Manion, Portfolio Holder for Finance and Governance
Classification:	Unrestricted

Purpose of the report: To set the Council Tax base for 2020/21 by 31 January 2020, in accordance with the Local Government Finance Act 1992.

To formally determine not to revise the reduction of Council Tax Discounts.

To note that the proposed changes to the council's Council Tax Reduction Scheme are being considered by Council under a separate report.

To formally determine the "Long Term Empty Premium" for properties that have been left empty and substantially unfurnished:

- (a) for periods of more than 2 but less than 5 years, a Long Term Empty Premium to be charged at 100%; and
- (b) for periods of more than 5 years a Long Term Empty Premium to be charged at 200%.

Recommendation: It is recommended that Council:

1. Determine that for the financial year 2020/21, the empty homes discount for properties unoccupied and unfurnished remain at 0%, so that Council Tax will be payable in full on these properties.

2. Approve the District's Council Tax Base for 2020/21 as 39,029.75 and the tax base for the towns and parishes in the Council's administrative area, as set out in the table at Appendix 2.

3. Formally determines the "Long Term Empty Premium" for properties that have been left empty and substantially unfurnished:

- (a) for periods of more than 2 but less than 5 years, a Long Term Empty Premium to be charged at 100%; and
 - (b) for periods of more than 5 years a Long Term Empty Premium to be charged at 200%.
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1. Summary

- 1.1 The Council Tax base for the coming year is set by Dover District Council, and is used by Kent County Council, the Police and Crime Commissioner for Kent, Kent and Medway Fire and Rescue Authority and the various town and parish councils when setting their Council Tax and their precepts.

2. Introduction and Background

- 2.1 The Council is required to set its tax base by 31 January every year, for the following financial year. The taxbase is defined mainly in terms of the number of Band D equivalent properties, but it is then adjusted to reflect various discounts.

- 2.2 The Council is also required on an annual basis:

- (a) To determine whether and, if so, the extent to which it will reduce or remove any Council Tax discounts;
- (b) To determine Long Term Empty Premium
- (c) To approve a Council Tax Reduction Scheme for the coming financial year. The scheme for 2020/21 is being considered on a separate report, on a separate agenda item at this meeting.

- 2.3 The tax base for 2020/21 has been prepared in accordance with the current regulations¹ which came into force on 30 November 2012. The calculations are shown in Appendix 1

- 2.4 As the Council Tax base is defined in terms of “Band D equivalent” dwellings, and Band D dwellings are treated as “average” houses, all other properties are defined as a ratio against Band D houses, and pay Council Tax in accordance with that ratio.

- 2.5 The table below illustrates how this works.

Council Tax Band	Ratio to Band D	Number of Dwellings (based on the Valuation Office list)²
Band A	6/9	7,012

¹ “Local Authorities (Calculation of Council Tax Base) Regulations 2012 (SI:2012:2194)”

² In the actual calculation this is adjusted for anticipated new build, demolitions, etc. expected during the year

Council Tax Band	Ratio to Band D	Number of Dwellings (based on the Valuation Office list)²
Band B	7/9	16,789
Band C	8/9	13,994
Band D	9/9	7,206
Band E	11/9	4,317
Band F	13/9	2,373
Band G	15/9	1,485
Band H	18/9	75

2.6 The basis of the calculation is to multiply the number of dwellings in each band by their respective ratio, then add the totals together to produce a “Band D equivalent” total. This is followed by a number of adjustments for factors such as single person discounts, people in receipt of Council Tax Reduction Scheme discounts, etc. The total is then adjusted for the anticipated collection rate, in order to determine the tax base.

2.7 Based on these factors it is recommended that the tax base for 2020/21 is set at 39,029.75

3. Reduction of Council Tax Discounts

3.1 From the year 2013/2014 and subsequently, the Council removed the following Council Tax Discounts in order to meet the cost of operating the chosen Council Tax Reduction Scheme:

- (a) Second Home discount of 10% removed;
- (b) Empty property exemption (Class C) removed.

3.2 Reductions in Council Tax discounts are required to be determined on an annual basis, and it is recommended that the existing Council Tax discounts are continued for the year 2020/21.

4. Council Tax Reduction Scheme

4.1 The Welfare Reform Act 2012 abolished Council Tax Benefit from April 2013 and, in accordance with Section 13A of the Local Government Finance Act 1992 the Council approved a local Council Tax Reduction Scheme, with effect from 1 April 2014, adopting, as the scheme, the document cited as “the Local Council Tax Support Scheme – Dover District Council 2015 (“the 2015 scheme”).

4.2 The current scheme, which has been in place since April 2017 was agreed and approved at full council on 30th November 2016. A revised Council Tax Reduction Scheme is being proposed

for 2020/21, and this has been considered by Cabinet on 2 December 2019 and Scrutiny on 9 December 2019. Council have a separate report in front of them with details of the proposed new scheme. It should be noted that the new scheme, if approved, has no discernible affect on the tax base, as the overall projected council tax support expenditure under the new scheme is projected to be within 0.5% of current expenditure.

5. Long Term Empty Premium at, for properties empty for more than 2 years.

- 5.1 Legislation was passed in 2017 to allow Councils to increase the Long Term Empty Premium currently being charged for domestic properties that have been left empty and substantially unfurnished for two years or more. This took effect from April 2019 and saw the premium increase from 50% to 100% extra Council Tax payable. This means that if a property is empty and unfurnished for two years or more, Council Tax was charged at 200% from April 2019.
- 5.2 Further legislation was passed allowing billing authorities to charge an increased amount for properties left empty and substantially unfurnished for longer periods. Public consultation undertaken in December 2018 resulted in respondents being in favour of further increasing the Long Term Empty Premium for properties empty for 5 years or more to 200%, with effect from April 2020. This means that for properties empty and substantially unfurnished for 5 years or more, Council Tax will be charged at 300% from April 2020. Whilst exact figures cannot be provided due to changes in circumstances, it is anticipated that there will be approximately 53 properties in Dover that will be affected by this change on 1 April 2020.
- 5.3 Results from the public consultation which took place in December 2018 were put to Full Council on 30 January 2019, and all increases were approved. The purpose of para 6.1 is to formally determine the charging of:
- (a) the 100% Long Term Empty Premium for properties empty and unfurnished for periods of more than 2 but less than 5 years and
 - (b) the 200% Long Term Empty Premium for properties empty and unfurnished for between 5 years or more.

5.4 There are two exceptions

First, where the property is left empty by a serving member of the armed forces, who is living elsewhere in accommodation provided by the Secretary of State for defence; or where the property is the sole or main residence of a serving member of the armed forces, who is subject to a job related discount at an alternative address provided by the Secretary of State for defence.

- 5.3 Second, empty Annexes are not subject to the Long Term Empty Premium.

6. Identification of Options for the Setting of the Council Tax Base

- 6.1 The setting of the Council Tax base is mainly a mechanical process based on the projected number of properties, level of discounts and collection rates, and does not produce options

for Members to consider, except for the recommended empty home discounts and the long term empty property premium. Although Members do have the option to amend these discounts and the premium, it is recommended that Members approve them as recommended because:

- they send an important message to property owners about the use of property in a time of housing shortage;
- the discounts and premium are part of an overall package agreed with KCC and all Kent districts to introduce broadly equivalent schemes (when combined with the Council tax Support Schemes) in exchange for administrative / financial support from KCC, who are the main recipient of the Council Tax.

7. Corporate Implications

7.1 Comment from the Strategic Director (Corporate Resources): The Director has been consulted in the preparation of this report and has nothing further to add.

7.2 Comment from the Solicitor to the Council: The Solicitor to the Council has been consulted in the preparation of this report and has no further comments to make.

7.3 Comment from the Equalities Officer: This report does not specifically highlight any equality implications however in discharging their duties members are required to comply with the public sector equality duty as set out in Section 149 of the Equality Act 2010 <http://www.legislation.gov.uk/ukpga/2010/15>.

8. Appendices

Appendix 1 – The Council Tax Base Calculation for 2020/21

Appendix 2 – The Council Tax Base for the Towns and Parishes

9. Background Papers

Local Authorities (Calculation of Council Tax Base) Regulations 2012 (SI: 2012:2914)

Detailed calculations for District and Parish/Town Council Tax Bases

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The Council Tax Base Calculation for 2020/21

Council Tax Base = A x B:

- (i) A is the total of the "relevant amounts" (or Band D equivalents) for that year for each of the valuation bands which is shown or is likely to be shown for any day in that year in the authority's valuation list as applicable to one or more dwellings situated in this area.
- (ii) B is the authority's estimate of its collection rate for that year (97.65%)
- (iii) The "relevant amount" for a valuation band is the amount found by applying the formula: $(H - Q + E + J) \times (F/G)$
- (iv) H is the number of chargeable dwellings in the area of the Council (as billing authority) on calculated in accordance with the regulations at 30th November 2012
- (v) Q is the factor to take account of the discounts to which the amount of council tax payable was subject to that band, estimated in accordance with the regulations at 30th November 2012
- (vi) E is a factor to take into account any premiums, if any, to which the council tax payable was subject to that band, estimated in accordance with the regulations at 30th November 2012
- (vii) J is the estimated adjustments due to change in the number of dwellings, exemptions and discounts.
- (viii) Z is the total amount that the authorities estimates will be applied in relation to the Authorities council tax reduction scheme in relation to the band, expressed as an equivalent number of chargeable dwellings in the band.
- (ix) F is the number which is the proportion of dwellings in that band.
- (x) G is the number that, in that proportion, is applicable to dwellings in band D.

The amount calculated for Dover District Council's Council Tax Base in 2020/21 is 39,029.75 save for the following parts of the Council's administrative area where its Council Tax Base shall be the amounts shown against each part respectively.

Collection rate has been reviewed with regard to the changes, Council Tax Support discounts and exemptions. This report seeks the approval of the collection rate of 97.65%.

Appendix 2

Parish	2019/20 Tax Base - using collection rate	2020/21 Tax Base using collection rate
Alkham	310.13	304.27
Ash	1152.87	1161.21
Aylesham	1474.03	1568.81
Capel-Le-Ferne	659.24	673.96
Deal	6750.79	6828.29
Denton-with-Wootton	172.51	171.43
Dover	8198.33	8299.07
Eastry	816.95	817.26
Eythorne	792.44	802.60
Goodnestone	174.81	174.43
Great Mongeham	268.83	274.27
Guston	399.09	403.13
Hougham-Without	182.30	180.70
Langdon	236.07	242.80
Lydden	251.67	257.00
Nonington	295.01	295.03
Northbourne	269.95	270.56
Preston	366.78	380.46
Ringwould-with-Kingsdown	1021.39	1028.01
Ripple	149.51	148.49
River	1488.97	1496.74
St Margarets-at-Cliffe	1294.76	1303.78
Sandwich	1917.37	1940.37
Shepherdswell-with-Coldred	757.31	765.48
Sholden	736.36	736.50
Staple	232.27	232.89
Stourmouth	116.29	116.46
Sutton-by-Dover	303.62	304.77
Temple Ewell	651.17	662.04
Tilmanstone	154.16	156.52
Walmer	3337.77	3340.57
Whitfield	1972.43	2039.52
Wingham	677.85	685.90
Woodnesborough	465.57	479.01
Worth	477.66	487.42
Total	38,526.26	39,029.75